



To: The Commission on the Future of Higher Education  
From: Pamela Tate, President and CEO, The Council for Adult and Experiential Learning (CAEL)  
Re: Testimony on Higher Education in the United States and the Needs of Adult Learners: Recommendations for Strategic Directions  
Date: January 31, 2006

It is an honor to be invited to participate in the Commission's deliberations. I am the President and CEO of CAEL (Council for Adult and Experiential Learning), which is a national non-profit organization that serves as an intermediary between and among the workforce, employers, and higher education. Our mission is to remove barriers to lifelong learning for adults, and we do that by working with colleges and universities to make their programs more accessible to adults, by administering employer-funded tuition and career development programs that increase access to education, and by testing new policy strategies for making lifelong learning more accessible to adult learners, including new financing mechanisms.

In the book *The World is Flat*, Thomas Friedman tells his readers that people who want to be successful in the future need to be "something more than vanilla ice cream." For Friedman, that means that the American workforce needs to be educated, highly skilled, and ready to learn and adapt to the changing world around us. For employers that CAEL works with, it means having access to a labor force with the skills needed to help compete in the global marketplace. For the more than 500,000 working adults we serve annually, it means having what it takes to make a good living, having job security, and having opportunities to advance in a career. For colleges and universities, it means finding new ways to adapt to changes in the economy and to be more responsive to the increasing demands of a diverse student body.

In our work, we have seen strong evidence of the need to educate the workforce. We work with hospitals and long term care facilities that are facing mammoth talent shortages in the coming years. We work with manufacturers whose production processes are requiring ever greater skills from the workforce. We work with utility and telecommunications companies who are wondering how they will fill the many skilled jobs that will be vacated by a bubble of retirees in the coming decade.

Having an educated workforce has never been as important as it is today, and it is clear that postsecondary institutions – our colleges and universities – will need to support that as never before. For this reason, we welcome the work of the Commission on the Future of Higher Education to develop a comprehensive national strategy on higher education at a time when strategic decisions to make higher education more accessible – and more relevant – are of such critical importance to our national economy and to the society. Higher education has had to respond to difficult challenges in the past, for example, the creation of the Land Grant Colleges to address the need for wider education in the 1800s or the creation of the community college system to meet the educational needs of the economy following World War II (Truman Act). It is clear that we are again in a challenging time and that higher education must respond to new challenges once again. The promise of higher education is great, and I am asking you today to consider the critical needs and subsequent contributions of one group of students that this great system serves—the adult learner.

### **Setting the Stage: Why a Focus on Adults is Essential**

In recent years, attention has rightly been focused on ensuring the education pipeline for traditional aged students beginning with early learning, into K-12 education and through postsecondary education. However, an equally important, but largely unrecognized, resource for American productivity and for a stable democracy is the expansion of postsecondary education and workforce development opportunities for adults.

The benefits of having more workers with postsecondary degrees are great. Higher educational attainment has been shown to help individuals improve their employability and their earning power. Among citizens aged 18-64, for example, those who earn an associate's degree can expect on average an additional \$7,200 in annual earnings, and in states like California and Texas an additional \$10,000. Attaining a bachelor's degree adds, on average, \$15,000 in annual income, and in some states as much as \$18,000. This increase in income levels also translates to increased state and federal tax revenues, and a higher skilled workforce that can staff positions of critical importance to the economy, national security and public health.

Once a global leader, the U.S. is losing its historic world dominance with respect to higher levels of educational attainment for its adult citizens. According to OECD figures, six countries now surpass the U.S. in the proportion of 25-64 year olds who have attained a tertiary credential (39%). These are Canada, Norway, Finland, Sweden, Japan and Korea. In addition, several others – the UK, Spain, Australia, Belgium, the Netherlands, and France – are close to doing so. In a world economy that depends more than ever on knowledge workers, as well as the possession of advanced literacy and problem-solving skills among line workers, the imperative could not be greater for U.S. leaders and policymakers to recognize and strategically address challenges to expanding adult learning.

But more important than our standing vis-à-vis other countries is our ability to staff positions that are of critical importance to the economy, national security and public health. If our current workforce does not gain new skills and credentials, we may not have enough skilled workers for the growing need. It is estimated that 15 million new U.S. jobs that require a college education will be created by 2020, but based on current attainment rates, projections show a new gain of perhaps only 3 million new workers with college credentials. To meet the skill demands, we cannot only focus on K-12 programs or traditional-aged college students – there will not be enough of them. The nation must also make a strategic priority of educating the very large number of adults in the workforce who have earned high school credentials but who for one reason or another have not entered or succeeded in postsecondary study.

Although many workers are interested in increasing their skills and knowledge, the American Council on Education reported in 2004 that adults who have not completed a postsecondary degree are more likely than their peers to live in poverty and to be unemployed or working in a low-wage service sector job. While many of these low income adults are enrolling in postsecondary programs, they are twice as likely to be enrolled half time and three times as likely as traditional-age students to be enrolled less than half time. In addition, low income adult students face a host of challenges, including managing the competing demands of work and family with education (and the desire for a social life), financing higher education, receiving adequate campus advising and counseling, and having low levels of confidence in their own abilities.

## **The Commission on the Future of Higher Education**

The situation described above has contributed to the need for the Commission on the Future of Higher Education. Two of the questions that the Commission is hoping to answer are: “How can we ensure that college is affordable and accessible?” and “How well are institutions of higher education preparing our students to compete in the new global economy?” But because our ability to meet the skilled labor demands of this new century will also depend on the **current workforce** gaining new skills and credentials, we need to also consider these questions as they pertain to the **adult** learner.

CAEL urges the Commission to consider a number of recommendations that will help adults access and afford the educational opportunities that they will need to succeed in the new economy, while holding higher education institutions accountable for the quality and relevance of what is learned.

## **How Can We Ensure That College is *Affordable* for Adults?**

CAEL’s 2004 research showed that only 35% of the over 7,000 representative employers surveyed offer some form of tuition assistance program, and we know that lack of funding is one of the three major obstacles to participation for adult learners. Therefore, we offer the following recommendations to improve the affordability of education for working adults:

- **Redesign Student Aid to Support Adult and Lifelong Learners.** Currently, eligibility requirements for federal student aid programs are not matched to the characteristics and needs of adult learners. Financial aid resources often are not available for adult learners (over 25 years old) who tend to have high financial need and attend school less than half-time. In addition, as Brian Bosworth of FutureWorks has suggested, need-based grant and loan programs could increase their income eligibility caps in general or by systematically considering the higher educational costs of working students (such as child care costs). Modifications to student aid policies, such as extending financial aid to less than half time students, are crucial to ensuring that adults achieve their postsecondary education goals. Alternatively, financial incentives could be created that help offset the indirect costs of education (such as child care and lost wages) and that reward the success of lower income students. Early findings from an MDRC Opening Doors study, for example, suggest that a scholarship of \$1000 on top of regular financial aid – and one that is tied to the academic performance of the individual – can result in higher grades, increased number of credits earned, and higher rates of retention.
- **Make Education Tax Credits More Accessible to Working Adults.** Research conducted by FutureWorks in 2004 found that The Hope Scholarship and Lifetime Learning Tax Credit are primarily benefiting families who claimed them on behalf of *dependent* college students. FutureWorks has recommended that the government raise awareness of the credits, increase the percentage of qualified expenses allowed under the LLTC, expand the definition of qualified expenses to include costs such as child care and transportation, and make both Hope and LLTC refundable so that low income working adults can claim the full credit, even if it exceeds their tax liability. We support these recommendations and urge the Commission to consider them.
- **Promote and Support Lifelong Learning Accounts (LiLAs).** One way to reduce the cost of education and training to any one stakeholder is to find a way for educational costs to be shared across many different stakeholders. Lifelong Learning Accounts (LiLAs), a financing mechanism conceived by CAEL, are individual asset accounts to finance lifelong learning so that workers can upgrade their skills and credentials. They are essentially matched savings accounts. A worker's investment in his or her own education is matched by the employer. A third party contributor in a larger scale initiative could be a government entity, providing an additional match for lower income participants or at minimum, a tax deduction for the individual and a tax credit for the employer investing in a LiLA. In this way, LiLAs would promote joint responsibility for adult worker education and training among the various stakeholders who benefit. Although LiLAs would be accessible to all employees, they are designed to provide an additional incentive to lower and middle-income employees—especially those who are working in organizations that do not provide tuition assistance—to save and then spend for education and training to improve their career related skills and knowledge.

CAEL is currently administering a multi-city, foundation-funded demonstration of LiLAs, and we are also working with several states to design LiLA initiatives, one with the support of the US Department of Labor and the Ford Foundation. Support at the federal level for LiLA policies such as tax credits for employer contributions and tax deductions for individual contributions, and similar state initiatives, would encourage the acceptance and understanding of LiLAs as an option for co-investment in education and training.

- **Provide Incentives to Encourage Higher Education Institutions to Offer Flexible Payment Plans and Other Help on Financing Adult Learning.** CAEL's Adult Learning Focused Institution (ALFI) initiative outlines several ways for institutions to be more friendly, or accessible to, adult learners. Not only should institutions inform adult learners about convenient payment options (e.g. installment and deferred payment plans), but they should also make financial aid and scholarships available to part-time students. They should further help learners develop strategies to locate external funding to assist with education costs.

### **How Can We Ensure That College is *Accessible* to Adults?**

There are several ways to expand access to learning opportunities for adults:

- **Encourage States to Change Reimbursement Formulas for Public Institutions.** Currently, both community colleges and universities in many states must operate under enrollment-based formulas that give full credit only to enrollments for academic courses. Enrollments in programs offered for workforce training (or other non-credit programs) may only get partial funding credit, if at all. This can serve as a disincentive for colleges to serve large populations of adult learners, even though the non-credit learning can be an important entry portal for many working adults. More states should be encouraged to reimburse colleges for their non-credit programs because of their important role in introducing many working adults to postsecondary education.
- **Provide Incentives and Models to Encourage Colleges to Develop Better In-House Transfer Processes.** As just mentioned, many working adults may get their first back-to-school experiences on the non-credit side of a college. Some colleges are better than others at helping students make the transition from basic education or workforce training to degree programs. Simpler and more comprehensive and transparent transition and bridge processes should be required of all institutions that offer both types of programs. MDRC and others have concluded that creating transition and bridge programs lowers attrition.
- **Provide Incentives to Promote the Use of Technology at Colleges and Universities, and Remove the Barriers to Online Learning.** Higher education institutions can greatly expand access for adults through the use of technology, which can promote better access to higher quality information and provide flexibility

in serving the academic needs of the students (e.g., through online degree programs.) The Commission should support the amendment of the current 50 percent rule, for example, which prevents institutions that specialize in online learning from participating in federal financial aid programs. Easing this rule would encourage the growth of online and blended courses and open access to thousands of students who otherwise may not be able to attend higher education. Offering online support services can also help to expand access for adults to learning.

- **Provide Incentives to Encourage Higher Education Institutions to Offer Greater Assistance with Individual Career Planning.** Another of CAEL's Adult Learning Focused Institution (ALFI) principles is for institutions to help adult learners identify life and career goals before or at the onset of enrollment in order to assess and align institutional capacities to help learners reach their goals. The purpose of this assistance is to make sure that students are on the right path for their skills and aptitudes, and to make sure that students have access to any assistance they need to succeed.
- **Provide Incentives and Change Funding Formulas to Encourage Higher Education Institutions to Provide Better Support Systems for Adult Learners.** In many states, funding formulas penalize institutions with large numbers of part-time students, especially in the area of student support services personnel, since the formulas are still FTE (full time equivalent student) based rather than student headcount based. This is particularly unfortunate since adult learners need as much as, if not more than, traditional-age students in the way of academic and student support. Institutions should support adult students by providing flexible time frames for enrollment, registration and program participation; by providing services that address the life circumstances of the adult (e.g. child care, support networks, adult-centered orientation and advising); by providing mentoring and advising; and by providing support for adult learners at times and places that are congruent with work schedules. This may include establishing education extension centers at or near work locations or utilizing technology where it is appropriate.
- **Encourage Colleges and Universities to Focus on Making the Teaching-Learning Process More Relevant to Adult Learners.** CAEL's research and practice have shown that to maximize learning for adults, instructors must use multiple methods of instruction (including experiential and problem-based methods) in order for adults to connect curricular concepts to useful knowledge and skills. Faculty should be encouraged and trained to present material in a way that incorporates the issues and language of the learners' workplace and the community. There should be a focus on outcomes, with assessment used as part of the learning process and in ways that enhance competency and self-confidence (not testing for testing's sake.) These approaches would also lend themselves to open entry/open exit learning options for adults, which have been found to promote persistence in higher education.

- **Provide Incentives to Encourage Higher Education to Form Partnerships with Employers and Unions.** Colleges and universities can greatly expand access by working more closely with employers and with joint labor-management entities to communicate the benefits of learning to workers, to develop mentoring and advising programs, and even to provide learning opportunities and corporate training at the workplace. These partnerships can also lead to more relevant curriculum, as institutions seek input from business and industry. Eduventures has estimated that of the \$13 billion companies spent on training with outside vendors in 2004, colleges and universities received only a 5% share of these expenditures. We would hope that the Commission would advocate for policies that encourage and support a more proactive and responsive approach to the needs of industries on the part of colleges and universities.
- **Launch a Social Marketing Campaign to Engage Business and Industry.** In order to encourage greater private sector investment in workforce development, federal agencies and state agencies might work together on a campaign to raise the awareness among employers of the many “bottom line” benefits to investing in tuition assistance and Lifelong Learning Account programs for their employees, especially pre-paid tuition programs where the adult learner is given a voucher or letter of credit to take to the institution in lieu of actual dollars. In the tuition assistance programs which CAEL has managed for employers over the past twenty years, CAEL has found that pre-paid programs usually result in a tripling of participation rates of employees. Pre-paid, voucher-based tuition assistance programs are especially helpful to lower-income employees who are often most in need of higher education.

This social marketing campaign should also highlight the need for employers to help reduce other barriers such as lack of information and lack of time. Employers could, for example, lower the time barrier by offering flextime and short-term educational sabbaticals to workers engaged in educational pursuits, by working with colleges and universities on the development of onsite or online learning programs, and by offering career and educational advising to employees to assist them in making the right choices.

### **How Can Institutions of Higher Education Be Held *Accountable* to Serving the Needs of Adult Learners?**

Once you get adult learners into the classroom (or into the on-line learning course), the next challenge is to make sure that colleges and universities are delivering the content and are providing the student support services in a way that enables students to be successful. Some recommendations for the Commission that we believe will increase accountability include:

- **Conduct State by State Comparisons of How Well States are Meeting the Needs of Adult Learners.** In 2000, the National Center for Public Policy and Higher

Education launched *Measuring Up*, a state-by-state report card for higher education that assesses a state's performance on five categories: preparation, participation, affordability, completion and benefits. A state by state comparison should also be available for measuring how well states are meeting the needs of their adult learners. Portraying the current extent and potential of adult participation in postsecondary education—wherever possible on a state-by-state basis—could open the way for an informed and focused policy debate. Analysis of data showing the strong connection between current and projected education levels of adults and opportunities for workforce development could be especially appropriate and timely. CAEL is already working on the design of such a state by state comparison and would hope that the Commission would advocate for its use.

- **Encourage States to Review their Policies Related to Adult Learners.** CAEL and SHEEO jointly published a policy framework for states to use in reviewing how encouraging of adult learning the state's policies are. As a next step, CAEL has launched a project, funded by the Lumina Foundation for Education, to develop a comprehensive policy guide which states can use to systematically examine their workforce and higher education policies and determine what actions would need to be taken to make these policies more adult learner-friendly. We would encourage the Commission to advocate for the widespread use of such a state policy guide.
- **Provide Incentives to Encourage Institutions to Measure Their Responsiveness to Adults.** CAEL's ALFI framework describes a number of policies and practices that institutions of higher education can adopt to make educational opportunities more accessible and remove obstacles from the path to degree completion. These can serve as a benchmark against which institutions can measure their progress toward meeting the needs of adult learners. An important need for encouraging the wider adoption of these principles is the creation of a national database of institutions and how they measure up against the ALFI principles. This database, by providing benchmark data on types of institutions, can help to encourage more responsive practices by institutions, making their programs more accessible, more affordable and more relevant to the needs of adult learners. With Lumina's support, CAEL has already taken the first steps in creating this database and would encourage the Commission to publicize the ALFI framework and database, as well as urge colleges and universities to measure themselves against the ALFI principles.

## Conclusion

As a final note, the Commission may find that it is interested in pursuing several of the above recommendations. One way to do this, without launching a number of large federal programs, is for the federal government to work closely with states on these issues.



We echo Brian Bosworth's recommendation of establishing federal grants to states to promote postsecondary access and success for working adults. These grants would help states develop, enhance and implement a plan to reform higher education governance, formula financing, student aid, curricula and program development, accreditation, credentialing, data collection and faculty development in ways that would promote access and success for working adults seeking their first post-secondary credentials as well as those seeking the new skills and additional credentials of career advancement.

This new partnership would be focused on helping the states – the biggest financial stakeholder in higher education – explore how changes in the way they govern and finance higher education can create better opportunities for access and success for working adults. Use of the federal grants would vary from state to state depending on their particular diagnosis of problems and opportunities. The diversity of approaches would provide a rich learning environment, and state teams working on these issues could be brought together regularly to exchange information and experience.

The Commission on the Future of Higher Education is taking on an important task with the potential for having a significant and lasting impact on the nation's educational institutions, workforce, and economy. CAEL hopes that the recommendations offered in this memorandum have been of some assistance, and we welcome the opportunity to discuss these and other issues in greater depth.